

VIA COM

RESULTS FOR THE QUARTER AND YEAR ENDED SEPTEMBER 30, 2016

November 9, 2016



Cautionary Statement Concerning Forward-Looking Statements

This presentation contains both historical and forward-looking statements. All statements that are not statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements reflect our current expectations concerning future results, objectives, plans and goals, and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause future results, performance or achievements to differ. These risks, uncertainties and other factors include, among others: the effect of uncertainty stemming from ongoing transitions involving our board of directors and management and related changes in strategy, including a potential business combination with CBS Corporation; the public acceptance of our brands, programs, motion pictures and other entertainment content on the various platforms on which they are distributed; the impact of inadequate audience measurement on our program ratings and advertising and affiliate revenues; technological developments and their effect in our markets and on consumer behavior; competition for content, audiences, advertising and distribution; the impact of piracy; economic fluctuations in advertising and retail markets, and economic conditions generally; fluctuations in our results due to the timing, mix, number and availability of our motion pictures and other programming; the potential for loss of carriage or other reduction in the distribution of our content; changes in the Federal communications or other laws and regulations; evolving cybersecurity and similar risks; other domestic and global economic, business, competitive and/or regulatory factors affecting our businesses generally; and other factors described in our news releases and filings with the Securities and Exchange Commission, including but not limited to our 2016 Annual Report on Form 10-K and reports on Form 10-Q and Form 8-K. The forward-looking statements included in this presentation are made only as of the date of this presentation, and we do not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances. If applicable, reconciliations for any non-GAAP financial information contained in this presentation are included in this presentation or available on our website at www.viacom.com.

This presentation is a supplement to, and should be read in conjunction with, Viacom's earnings release for the quarter and year ended September 30, 2016.



Reported Results

(In Millions, except per share amounts)

	Quarter ended September 30,		Year ended September 30,	
	2016	B/(W) 2015	2016	B/(W) 2015
Revenues	\$ 3,226	(15%)	\$ 12,488	(6%)
Expenses	(2,609)	2%	(9,440)	(4%)
Depreciation and Amortization	(55)	(2%)	(221)	-
Equity-Based Compensation	(24)	17%	(95)	6%
Restructuring and Programming Charges	(206)	n/m	(206)	74%
Operating Income	<u>\$ 332</u>	<u>(69%)</u>	<u>\$ 2,526</u>	<u>(19%)</u>
Net Earnings from Continuing Operations Attributable to Viacom	\$ 252	(71%)	\$ 1,436	(25%)
Diluted EPS from Continuing Operations	\$ 0.63	(71%)	\$ 3.61	(24%)
Weighted Average Diluted Shares	398.3	-	398.0	2%

n/m – not meaningful



Adjusted Results

(In Millions, except per share amounts)

	Quarter ended September 30,		Year ended September 30,	
	2016	B/(W) 2015	2016	B/(W) 2015
Revenues	\$ 3,226	(15%)	\$ 12,488	(6%)
Expenses	(2,609)	2%	(9,440)	(5%)
Depreciation and Amortization	(55)	(2%)	(221)	-
Equity-Based Compensation	(24)	17%	(95)	6%
Adjusted Operating Income	<u>\$ 538</u>	<u>(49%)</u>	<u>\$ 2,732</u>	<u>(30%)</u>
Adjusted Net Earnings from Continuing Operations Attributable to Viacom	\$ 273	(56%)	\$ 1,465	(34%)
Adjusted Diluted EPS from Continuing Operations	\$ 0.69	(55%)	\$ 3.68	(32%)
Weighted Average Diluted Shares	398.3	-	398.0	2%

See pages 15-19 for the reconciliation to GAAP results.



Free Cash Flow

(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2016	B/(W) 2015	2016	B/(W) 2015
Operating Income	\$ 332	(69%)	\$ 2,526	(19%)
Depreciation and Amortization	55	2%	221	-
Restructuring and Programming Charges	206	n/m	206	(74%)
Capital Expenditures	(92)	(77%)	(172)	(21%)
Cash Interest	(147)	6%	(611)	4%
Working Capital and Other	547	15%	(696)	(28%)
Subtotal	\$ 901	(34%)	\$ 1,474	(47%)
Cash Taxes	(22)	88%	(275)	51%
Operating Free Cash Flow	\$ 879	(27%)	\$ 1,199	(46%)
Free Cash Flow	\$ 879	(25%)	\$ 1,199	(46%)

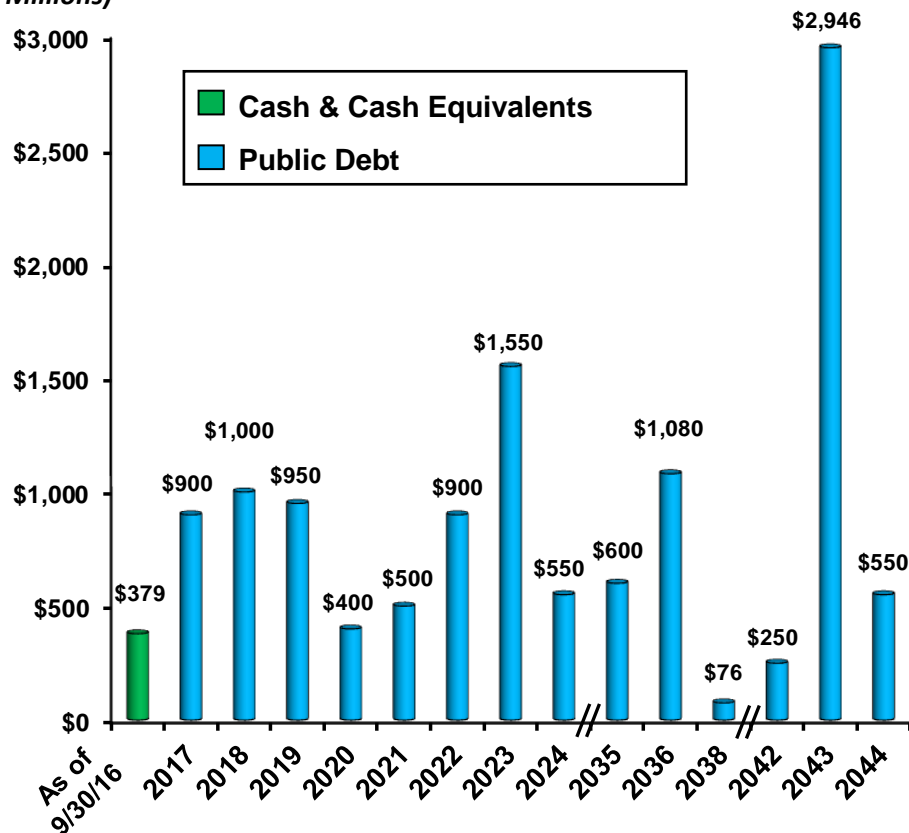
n/m – not meaningful

See pages 15 and 20 for the reconciliation of net cash provided by operating activities to operating free cash flow and free cash flow.



Debt & Cash

(In Millions)



Maturity by Fiscal Year

Chart excludes capital leases and other obligations.

(1) Calculations are based on the book value of fixed rate debt.

(2) In October 2016, we issued \$400 million of 2.250% Senior Notes due 2022 and \$900 million of 3.450% Senior Notes due 2026. A portion of the proceeds will be utilized in November 2016 for the redemption of all \$400 million of our Senior Notes due December 2016 and all \$500 million of our Senior Notes due April 2017.

**September 30,
2016**

Floating Rate Debt	\$ -
Fixed Rate Debt	11,793
Capital Lease and Other Obligations	120
Total Debt	\$ 11,913
Cash & Cash Equivalents	379
Net Debt	\$ 11,534

Weighted Average Rate ⁽¹⁾ 4.6%

Weighted Average Maturity ⁽¹⁾ 12.7



VIA COM

SEGMENT HIGHLIGHTS



Media Networks – Revenues by Type

(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2016	B/(W) 2015	2016	B/(W) 2015
Advertising	\$ 1,150	(8%)	\$ 4,809	(4%)
Affiliate	1,160	(16%)	4,556	(7%)
Ancillary	173	11%	577	-
Total	\$ 2,483	(11%)	\$ 9,942	(5%)



Media Networks – Financial Results

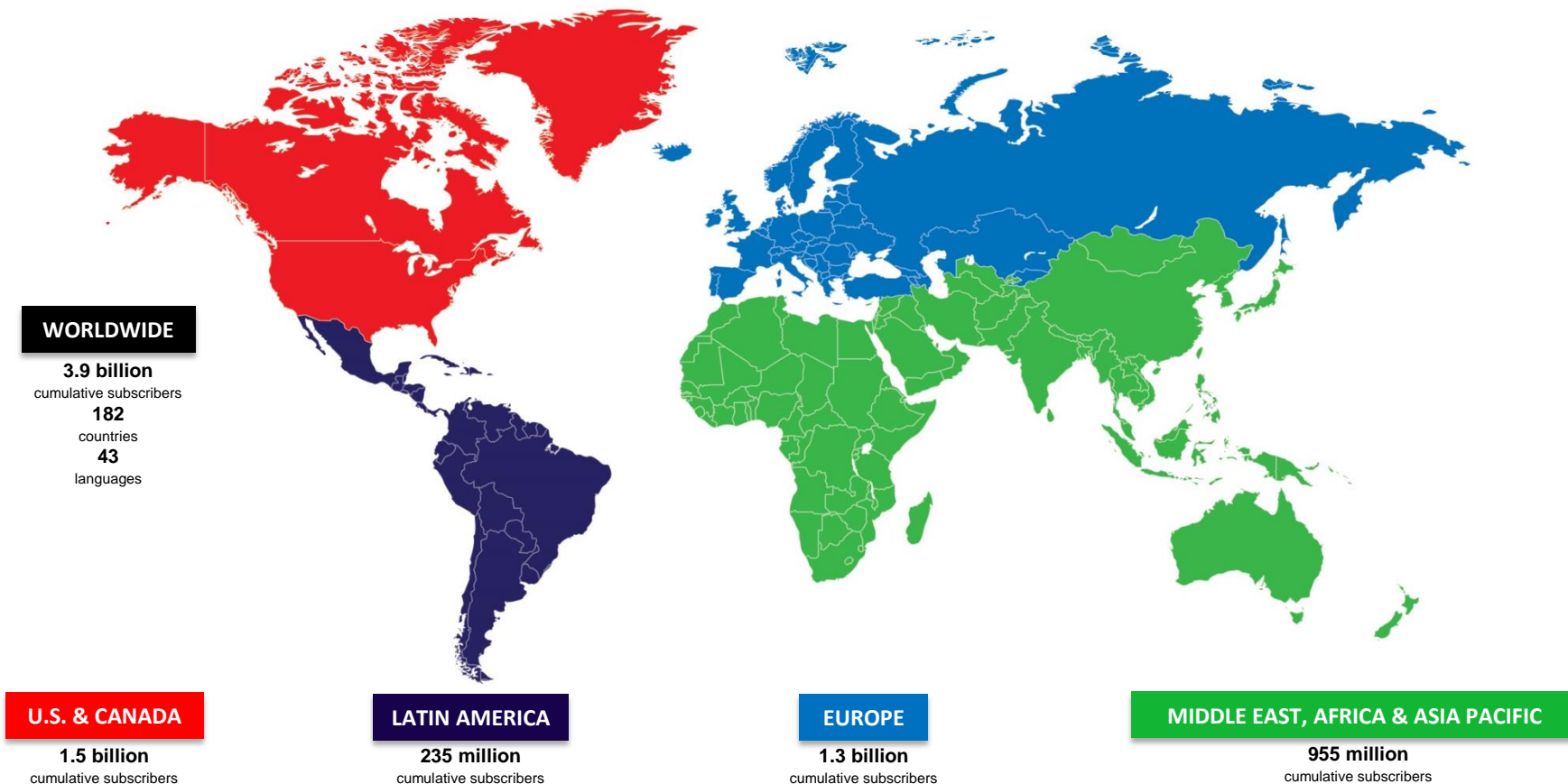
(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2016	B/(W) 2015	2016	B/(W) 2015
Revenues	\$ 2,483	(11%)	\$ 9,942	(5%)
Expenses	(1,691)	2%	(6,292)	(2%)
Depreciation and Amortization	(42)	(11%)	(166)	(2%)
Adjusted Operating Income	\$ 750	(27%)	\$ 3,484	(16%)
Equity-Based Compensation	(9)	(13%)	(31)	9%
Operating Income	\$ 741	(27%)	\$ 3,453	-



Media Networks – International

Strongholds in the most important developing and developed markets



Source: Cumulative subscriber numbers aggregate subscribers to each channel. Includes all owned and operated, joint venture and licensee channels. Domestic subscriber numbers are based on Nielsen Media Research as of September 2016 and Canadian subscriber numbers are based on MediaStats as of August 2016. All other international subscriber numbers are based on internal figures as of July 2016, plus August and September channel launches.



Filmed Entertainment – Revenues by Type

(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2016	B/(W) 2015	2016	B/(W) 2015
Theatrical	\$ 203	(55%)	\$ 605	(28%)
Home Entertainment	199	23%	783	(10%)
Licensing	326	(12%)	1,100	12%
Ancillary	46	2%	174	(9%)
Total	\$ 774	(24%)	\$ 2,662	(8%)



Filmed Entertainment – Significant Releases

Theatrical

Qtr ended September 30, 2016

Star Trek Beyond
 Florence Foster Jenkins
 Ben-Hur

Qtr ended September 30, 2015

Terminator: Genisys
 Mission: Impossible - Rogue Nation

Home Entertainment

Qtr ended September 30, 2016

Teenage Mutant Ninja Turtles: Out of the
 Shadows

Qtr ended September 30, 2015

None



Filmed Entertainment – Financial Results

(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2016	B/(W) 2015	2016	B/(W) 2015
Revenues	\$ 774	(24%)	\$ 2,662	(8%)
Expenses	(899)	(1%)	(3,057)	(12%)
Depreciation and Amortization	(12)	14%	(50)	6%
Adjusted Operating Loss	\$ (137)	n/m	\$ (445)	n/m
Equity-Based Compensation	(4)	-	(12)	8%
Operating Loss	\$ (141)	n/m	\$ (457)	n/m

n/m – not meaningful



VIA COM

APPENDIX RECONCILIATIONS



Supplemental Disclosures: Non-GAAP Financial Information

Non-GAAP measures, including consolidated operating free cash flow, free cash flow and adjusted results that exclude the impact of certain items identified as affecting comparability, are relevant and useful information for investors because they clarify our actual operating performance, make it easier to compare our results with those of other companies and allow investors to review performance in the same way as Viacom management.

These are not measures of performance calculated in accordance with GAAP. They should not be considered in isolation of, or as a substitute for, cash flow provided by operations, operating income, earnings from continuing operations before provision for income taxes, provision for income taxes, net earnings from continuing operations attributable to Viacom and diluted EPS from continuing operations as indicators of operating performance, and they may not be comparable to similarly titled measures employed by other companies.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions, except per share amounts)

	Quarter ended September 30, 2016					
	Operating Income	Earnings from Continuing Operations Before Provision for Income Taxes	Provision for Income Taxes ⁽¹⁾	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations	
Reported Results (GAAP)	\$ 332	\$ 178	\$ (83)	\$ 252	\$ 0.63	
Factors Affecting Comparability:						
Restructuring ⁽²⁾	206	206	75	131	0.33	
Discrete Tax Benefit ⁽³⁾	-	-	110	(110)	(0.27)	
Adjusted Results (Non-GAAP)	\$ 538	\$ 384	\$ 102	\$ 273	\$ 0.69	

(1) The tax impact has been calculated by applying the tax rates applicable to the adjustments presented.

(2) The pre-tax charge of \$206 million reflects restructuring costs in connection with the separation of certain senior executives. The restructuring charge includes the cost of separation payments of \$138 million and the acceleration of equity-based compensation expense of \$68 million.

(3) The net discrete tax benefit principally relates to a tax accounting method change granted by the Internal Revenue Service, the release of tax reserves with respect to certain effectively settled tax positions and the recognition of capital loss carryforwards.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions, except per share amounts)

	Year ended September 30, 2016				
	Operating Income	Earnings from Continuing Operations Before Provision for Income Taxes	Provision for Income Taxes ⁽¹⁾	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results (GAAP)	\$ 2,526	\$ 1,990	\$ 519	\$ 1,436	\$ 3.61
Factors Affecting Comparability:					
Restructuring ⁽²⁾	206	206	75	131	0.33
Discrete Tax Benefit ⁽³⁾	-	-	102	(102)	(0.26)
Adjusted Results (Non-GAAP)	\$ 2,732	\$ 2,196	\$ 696	\$ 1,465	\$ 3.68

(1) The tax impact has been calculated by applying the tax rates applicable to the adjustments presented.

(2) The pre-tax charge of \$206 million reflects restructuring costs in connection with the separation of certain senior executives. The restructuring charge includes the cost of separation payments of \$138 million and the acceleration of equity-based compensation expense of \$68 million.

(3) The net discrete tax benefit principally relates to a tax accounting method change granted by the Internal Revenue Service, the release of tax reserves with respect to certain effectively settled tax positions and the recognition of capital loss carryforwards, partially offset by a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions, except per share amounts)

	Quarter ended September 30, 2015				
	Operating Income	Earnings from Continuing Operations Before Provision for Income Taxes	Provision for Income Taxes ⁽¹⁾	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results (GAAP)	\$ 1,055	\$ 865	\$ (27)	\$ 884	\$ 2.21
Factors Affecting Comparability:					
Loss on Extinguishment of Debt ⁽²⁾	-	18	7	11	0.03
Discrete Tax Benefit ⁽³⁾	-	-	281	(281)	(0.70)
Adjusted Results (Non-GAAP)	\$ 1,055	\$ 883	\$ 261	\$ 614	\$ 1.54

(1) The tax impact has been calculated by applying the tax rates applicable to the adjustment presented.

(2) The pre-tax charge of \$18 million reflects a debt extinguishment loss on the redemption of \$550 million of the total \$918 million outstanding of our 6.250% Senior Notes due April 2016.

(3) The net discrete tax benefit principally relates to excess foreign tax credits attributable to a taxable repatriation of non-U.S. earnings from reorganized entities and the release of tax reserves with respect to certain effectively settled tax positions.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions, except per share amounts)

	Year ended September 30, 2015				
	Operating Income	Earnings from Continuing Operations Before Provision for Income Taxes	Provision for Income Taxes ⁽¹⁾	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results (GAAP)	\$ 3,112	\$ 2,503	\$ 501	\$ 1,922	\$ 4.73
Factors Affecting Comparability:					
Restructuring and Programming Charges ⁽²⁾	784	784	264	520	1.28
Loss on Pension Settlement ⁽³⁾	24	24	9	15	0.04
Loss on Extinguishment of Debt ⁽⁴⁾		18	7	11	0.03
Discrete Tax Benefit ⁽⁵⁾	-	-	258	(258)	(0.64)
Adjusted Results (Non-GAAP)	\$ 3,920	\$ 3,329	\$ 1,039	\$ 2,210	\$ 5.44

(1) The tax impact has been calculated by applying the tax rates applicable to the adjustments presented.

(2) The pre-tax charge of \$784 million reflects \$578 million of programming charges and a \$206 million restructuring charge associated with workforce reductions.

(3) The pre-tax non-cash charge of \$24 million was driven by the settlement of pension benefits of certain participants of our funded pension plan.

(4) The pre-tax charge of \$18 million reflects a debt extinguishment loss on the redemption of \$550 million of the total \$918 million outstanding of our 6.250% Senior Notes due April 2016.

(5) The net discrete tax benefit principally relates to excess foreign tax credits attributable to a taxable repatriation of non-U.S. earnings from reorganized entities and the release of tax reserves with respect to certain effectively settled tax positions.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions)

	Quarter ended		Year ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Net Cash Provided By Operating Activities	\$ 971	\$ 1,233	\$ 1,371	\$ 2,313
Capital Expenditures	(92)	(52)	(172)	(142)
Excess Tax Benefits	-	(2)	-	43
Free Cash Flow ⁽¹⁾	<u>\$ 879</u>	<u>\$ 1,179</u>	<u>\$ 1,199</u>	<u>\$ 2,214</u>
Debt Retirement Premium	-	18	-	18
Operating Free Cash Flow ⁽¹⁾	<u>\$ 879</u>	<u>\$ 1,197</u>	<u>\$ 1,199</u>	<u>\$ 2,232</u>

(1) We define free cash flow as net cash provided by operating activities minus capital expenditures, plus excess tax benefits from equity-based compensation awards (actual tax deductions in excess of amounts previously recognized, which is included within financing activities in the statement of cash flows), as applicable. We define operating free cash flow as free cash flow, excluding the impact of the cash premium on the extinguishment of debt, as applicable. Free cash flow and operating free cash flow are non-GAAP measures. Management believes the use of this measure provides investors with an important perspective on, in the case of free cash flow, our liquidity, including our ability to service debt and make investments in our businesses, and, in the case of operating free cash flow, our liquidity from ongoing activities.



VIA COM

